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ABSTRACT

Three economic studies of the effects of bargaining are reviewed in relation to collective negotiations and teachers' salaries. These studies include negotiation and salaries in Michigan, negotiations and average state salaries, and negotiations and salaries in large urban systems. The conclusion indicates that salary benefits of collective negotiations have been pronounced and substantial at the local district level. (MJM)

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Collective Negotiations and Teachers' Salaries: A Survey of the Evidence

Robert J Thornton

As recently as twenty-five years ago, there prevailed two rather widely-held philosophies both of which purported to justify the payment of low salaries to public school teachers. The first was based on the supposition that teaching was a professional public service, and that therefore teachers could not expect to receive compensation on a par with that received in private sector occupations. The second philosophy was slightly less pessimistic. It reasoned that only by the teachers' own personal and professional improvement would the public recognize their merit and be willing to pay for it. A local superintendent of schools in the early 1900's epitomized this latter thinking by declaring that the real reason for the woefully inadequate salary levels of the time was the teachers' own incompetency. "Greater efficiency, brought about by professional growth," he claimed, "would automatically improve their welfare."[1] The workings of this "automatic" mechanism, needless to say, were not elaborated upon.

With the passing away of these two philosophies, teachers have steadily grown more concerned with their economic well-being and have undertaken massive collective action to achieve higher salaries. As of the 1971-72 school year, nearly one and one-half million teachers in over thirty-nine hundred school districts throughout the nation were working under collective negotiations agreements of some form. This includes approximately 74% of all instructional personnel employed by school systems with one-thousand pupils or more.[2]

To the typical public school teacher now paying as much as $70-80

or more per year in dues to his professional association or union, one of the first questions which comes to his mind is "Has it been worth it?" Answers, qualified answers albeit, have been supplied to this question by several recent economic studies, each differing slightly in method and scope. Each of these studies has attempted to shed some light on the question of how effective collective negotiations have been in raising teachers' salaries above those levels which would have prevailed in the absence of negotiations.

To some degree, the precise magnitude the effects of collective negotiations on salaries is a will-o-the wisp. No one can profess to know for certain what salaries would have prevailed had there been no negotiations. Nevertheless, somewhat reliable estimates can be secured by the simple statistical procedures of comparing salary levels in "negotiating" school systems with levels in "non-negotiating" systems or by comparing trends in teachers' salaries before and after the advent of widespread bargaining activity. Each of the studies summarized below uses one or the other statistical technique.

Negotiations and Salaries in Michigan

In a monograph published in 1968, Charles Rhemus and Evan Wilner of the University of Michigan examined a sample of 12 homogeneous Michigan school districts, all of which were considered to have first negotiated collective agreements with school board authorities for the 1966-67 school year.[3] Michigan, it might be noted, had inaugurated a public employee bargaining law -- Public Act 379 -- during the previous year. Rhemus and Wilner estimated the average annual percentage charges in the AB

minimum and MA maximum salary levels for these districts for the first two years of bargaining under Public Act 379. It was their rationale that the salary changes for these two years, when compared with the changes made unilaterally by the school boards during the five previous years, should serve to indicate whether collective negotiations had significantly affected teacher compensation.

The statistics, indeed, seemed remarkable. Whereas the average annual percentage increase in the AB minimum salary level for the 1961-65 period was only 2.8 percent, the average annual increase for the 1966-68 reached 8.5 percent. Changes in the MA maximum level exhibited much the same pattern -- 3.5 percent for the five years prior to 1966 and 10.5 percent for the first two years of bargaining. On the basis of this evidence, Rhemus and Wilner concluded that collective negotiations seem to have produced salary increases nearly three times higher than teachers would otherwise have received.

However, a closer inspection of the trend in teachers' salaries for the period points to the very real possibility that the Rhemus-Wilner figure may be a generous overestimate of the true effects of negotiations on salaries for Michigan teachers. Indeed, the post-1965 period was one of substantial salary gains for <u>all</u> teachers -- organized as well as unorganized. A U.S. Bureau of Labor Statistics survey of teacher salaries (for urban teachers only) notes that average percentage salary changes after 1965 were nearly double those changes for the five previous years.[4] What is more, the BLS survey points out that the <u>largest</u> gains occurred in the Southeastern U.S., where teacher bargaining activity was virtually nonexistent. The BLS attributes the salary advances enjoyed by teachers

during this period to the rapid rise in the cost-of-living and the continued shortage of qualified teachers, and not simply to the increase in negotiations activity.

Negotiations and Average State Salaries

In a more recent study, Hirschel Kasper of Oberlin College obtained estimates of the effects of collective negotiations on average statewide teachers' salaries for the 1967-68 school year.[5] Kasper attempted to separate the influence of factors other than negotiations activity which tend to cause interstate salary differentials by use of the statistical method of multiple regression.

Among the more important of his findings, he discovered that teachers' salaries were strongly associated with such factors as the level of per capita income for the state, the extent of urbanization, and the level of current expenditures per pupil. On the other hand, there seemed to be little evidence of a significantly positive effect of negotiations activity on salaries. Kasper was thus forced to conclude that teacher bargaining "had little, if any, effect on average state salary levels that year."[6]

This conclusion is quite puzzling in view of the rapid proliferation of collective agreements and the increase in teacher militancy, both of which came to be witnessed about this time. However, it may be charged that Kasper's analysis was probably too macroscopic to pinpoint any appreciable salary effects of teacher negotiations. Negotiations for teachers take place on the local school district level and, except for Hawaii, never on the statewide level. Professor Kasper seemed to

acknowledge this fact through his admission that further research at the school district level was necessary to improve his estimates. Nevertheless, he still claimed that "if many school districts bargain and grant large salary increases, the state average must rise."[7] This statement belies the fact, however, that in very few states were a relatively large proportion of school districts engaged in negotiations activity in the 1967-68 year of Kasper's study. In fact, in only five states were as many as 10% of the total number of districts covered by what the National Education Association calls "comprehensive" negotiations agreements.[8] Given this situation, it is extremely doubtful whether even substantial salary benefits won at the district level would manifest themselves to an observable degree through changes in average statewide salaries.

Negotiations and Salaries in Large Urban Systems

In a third study recently completed by the present author, attention was focused on the largest urban school systems in the U.S. -- 83 systems in cities of at least 100,000 population.[9] The rationale of limiting the sample to large city districts was to standardize for characteristics unique to such districts. Among other things, city teachers tend to receive higher scheduled salaries than more outlying districts. They are also more likely to possess degrees higher than the AB, thereby shifting the focus of bargaining more to the upper ends of the salary schedule.

In the 83 system sample, then, differences in 1969-70 salary levels were compared for those districts classified as "negotiating districts"

vs. the other "non-negotiating" districts. A district was considered to be a negotiating district if it had in the past year entered into a collective salary agreement with a formally recognized teachers' organization. Obviously, since factors other than simply the presence of negotiations account for inter-city salary differentials, it was necessary to take into account their influence also. Such factors include the general level of wages and salaries prevailing in the city, the size of the city, as well as the extent of the shortage of qualified teachers in the district.[10]

The results of the inter-city comparisons are listed in Table 1.

TABLE 1

DIFFERENCES IN SALARY LEVELS, NEGOTIATING VS. NON-NEGOTIATING DISTRICTS, 1969-70 SCHOOL YEAR

Salary Level	Absolute difference	Percent difference
AB Minimum	$238	3.7
AB Maximum	472	5.0
MA Minimum	160	2.3
MA Maximum	3,132	28.8

Source: Robert J. Thornton, "The Effects of Collective Negotiations on Teachers' Salaries," Quarterly Review of Economics and Business (Winter 1971), pp. 37-46.

It appears that collective negotiations have indeed effected significantly higher teachers' salaries at all four salary levels. The differentials range from a rather small $160 for the MA minimum to a "whopping" $3,132

at the MA maximum level. Converted to percentage terms, the differentials measure 2.3 percent and 28.8 percent respectively. The results tend to confirm the contention of many observers that teachers' negotiating teams have tended to emphasize the top end of the salary schedule, which benefits more teachers immediately (including most members of teacher bargaining teams!) and all career teachers eventually.[11]

AFT-NEA Salary Differentials

Since the evidence presented points to the conclusion that negotiations have successfully raised salaries for urban school teachers, is there any truth to the contention that affiliates of the American Federation of Teachers have generally been more successful in negotiations than their local association counterparts? The facts would seem to preclude such a possibility, particularly in view of the fact that many local associations have been as militant in their negotiations activities as have AFT affiliates. Moreover, the NEA itself has recently come out in support of the strike as a weapon to be utilized in certain situations. Nevertheless, to the extent that claims of negotiating superiority have been made, the question merits investigation.

Of the 83 districts in the sample, 40 were classified as "negotiating" districts in the 1969-70 year on the basis of the previously discussed definition. For these 40 districts, once the other factors influencing inter-city salary differences are taken into account, there is no significant evidence that higher salary levels are correlated with AFT districts (or vice versa, for that matter).

Conclusion

From this brief survey of three recent economic studies of the effects of bargaining, it appears that the following conclusion is warranted. The salary benefits of collective negotiations have been pronounced and substantial at the local district level at least. The differentials range from a rather low 2% to a high of 28%, depending on the particular salary level studied. It should not be overlooked, however, that these figures are merely averages and that many associations or unions have been more or less successful in particular instances. It is also important to keep in mind the fact that these studies concerned themselves only with negotiated salary benefits and have excluded such items as fringes, reduced work loads, etc.

Footnotes

[1] Quote from James Earl Clarke, "The American Federation of Teachers: Origins and History from 1870 to 1952" (unpublished Ph.D. dissertation, Cornell University, 1966), pp. 34-35.

[2] National Education Association, Negotiation Research Digest (June 1972), p. 18.

[3] Charles M. Rhemus and Evan Wilner, The Economic Results of Teacher Bargaining: Michigan's First Two Years (Ann Arbor: University of Michigan-Wayne State University, Institute of Labor and Industrial Relations, 1968).

[4] Mary Sproul, "Salary Changes for Urban Teachers," Monthly Labor Review, Vol. 89 (April 1969), pp. 49-52.

[5] Hirschel Kasper, "The Effects of Collective Bargaining on Public School Teachers' Salaries," Industrial and Labor Relations Review, Vol. 24 (October 1970), pp. 57-71.

[6] Ibid., p. 57.

[7] Ibid., p. 69.

[8] Calculated by the author from data appearing in the Negotiation Research Digest, National Education Association, Research Division, March and June 1969. The five states are Wisconsin, Rhode Island, Michigan, Massachusetts and Connecticut.

[9] Robert J. Thornton, "The Effects of Collective Negotiations on Teachers' Salaries," Quarterly Review of Economics and Business (Winter 1971), pp. 37-46.

[10] As in the Kasper study, the influence of these other factors on salaries was separated via multiple regression statistical techniques.

[11] Rhemus and Wilner, p. 16.